

APPROVED 09/03/2019

**MINUTES**  
**ORANGE COUNTY BOARD OF COMMISSIONERS**  
**BUDGET WORK SESSION**  
**June 11, 2019**  
**7:00 p.m.**

The Orange County Board of Commissioners met for a budget work session on Tuesday, June 11, 2019 at 7 p.m. at the Whitted Building in Hillsborough, N.C.

**COUNTY COMMISSIONERS PRESENT:** Chair Penny Rich and Commissioners Jamezetta Bedford, Mark Dorosin, Sally Greene, Earl McKee, Mark Marcoplos, and Renee Price

**COUNTY COMMISSIONERS ABSENT:** None

**COUNTY ATTORNEYS PRESENT:** None

**COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager Travis Myren, and Clerk to the Board Donna Baker (All other staff members will be identified appropriately below)

Chair Rich called the meeting to order at 7:00 p.m.

Travis Myren noted the following items at the Commissioners' places:

- Blue sheet: Memo from Asset Management Services (AMS)
- White sheet: PowerPoint
- Green sheet: all proposed amendments to operating budget
- Salmon sheet: CIP budget amendments
- White sheet: fee changes from the Health Department

Travis Myren reviewed the outline for the evening:

1. FY2019-20 Operating Budget  
Consider and Approve **Amendments** to the County Manager's Recommended Operating Budget
2. FY2019-24 Capital Investment Plan (CIP)  
Consider and Approve Amendments to the County Manager's Recommended Capital Investment Plan
3. FY2019-20 County Fee Schedule  
Consider and Approve Amendments to the County Manager's Recommended Fee Schedule
4. FY2019-20 Tax Rates  
Consider and Approve Amendments to the County Manager's Recommended Budget -the **Ad Valorem (Property) Tax Rate, Special District Tax Rate, and Fire District Tax Rates.**
5. Break
6. Resolution of Intent to Adopt  
Consider and Approve the **Resolution of Intent to Adopt the FY2019-20 Operating Budget** at the Board of County Commissioners Regular Meeting on June 18, 2019  
Operating Budget for FY2019-20  
Year One (FY2019 -20) of the Capital Investment Plan  
County, Special District, and Fire District Tax Rates  
Fee Schedule

Travis Myren made the following PowerPoint presentation:

**Intent to Adopt**  
**Budget Work Session**  
**June 11, 2019**  
**Whitted Meeting Facility**

**Decision Points**

**School Funding**

**Operating Budget School Funding – page 148 (table)**

- Total Recommended School District Funding
- **Included as Part of the School Funding Target Calculation**
- Target is 48.1% of General Fund Revenue
- FY2019-20 Recommended Budget = 49.5%

**School Funding**

**Capital Budget School Funding – page 115 CIP (table)**

- Total: \$11, 448, 606

**School Bond Allocation – page 115 CIP (table)**

Total Recommended School Bond Allocation- OCS

**School Funding**

**Total Recommended School Funding FY19-20**

**FY2019-20 Budget Information**

- Fire District Scope (graph)

**FY2019-20 Budget Information**

- Jury Master List Creation – page 117
  - Increase of \$7,500 for the Jury Master List, which is Funded Every Other Year
- Data Source
  - Data is from DMV Records (Licensed Drivers) and Voter Information (Registered Voters)
  - Names are drawn at random from the list.
  - A jury summons is printed and issued to jurors by US mail.
- Geothermal Feasibility Studies Payback
  - Current Geothermal Systems Save \$6,300 per year
  - \$25,000 in feasibility study costs would be paid off in 4 years
- Solar Panel Installation at Waterstone Substation
  - Joint Project with Orange Rural
  - Discussion Part of the Interlocal Agreement
  - Possibly Include Solar Feasibility Study in Architect's Scope
- Sheriff Overtime Report – graph (Sheriff Overtime Expenses with Reimbursement)
- Transportation for Community Center Programs
  - Use Conflict with County Vans for Summer Recreation Programming, Park Activities, etc.

- Proposed Amendment to Add \$140,000 to Purchase Two Large Capacity Vans for Community Center Use
- Cost is Partially Offset (\$107,000) by PAYGO/Cash Originally Budgeted for the Cedar Grove Shower Project
- Vans Shared and Scheduled by Community Centers through Motor Pool

Commissioner Price asked if Community Centers will need to secure drivers and insurance.

Travis Myren said there would be some type of lease/rental agreement, with which there would be no associated costs. He said the vehicle is County property, which the County insures, but the Community Centers would be responsible for providing properly insured drivers. He resumed the presentation:

### **FY2019-20 Budget Information**

- CIP Debt Model – Debt Service (graph)
- CIP Debt Model – Simulated Tax Rates for Debt Service (graph)
- OCPT Revenue- Fare vs Non-Fare
- Operating Budget Amendments
  - Reordered and Renumbered - Tax Rate Amendments First
  - Other Operating Budget Amendments - Offset by Increase in EMS Revenue
- Capital Investment Plan Amendments
  - Offset by PAYGO (Cash) or
  - Offset by Delaying Equipment for Southern Branch Library due to Construction Schedule

### **Decision Points**

- Approve the **Resolution of Intent to Adopt the FY2019-20 Operating Budget** at the Board of County Commissioners Regular Meeting on June 18, 2019
  - Operating Budget for FY2019-20
  - Year One (FY2019-20) of the Capital Investment Plan and Accept the Five Year Plan
  - Tax Rates for County, Special District, and Fire Districts
  - Fee Schedule

Travis Myren said the list of amendments have been reorganized somewhat, so that all amendments that will adjust the tax base are first. He began a review of the amendments:

#### **1. Discussion of FY2019-20 Operating Budget**

- Funding Decisions on the Operating Budget Amendment List
- Funding Decisions on the Other Funds Budget Amendment List
- Funding Decisions for Chapel Hill-Carrboro City Schools and Orange County Schools
  - Current Expense (Per Pupil)

Deferred Maintenance

• Amendment	Sponsor	Budget Page	Department	Amendment	Amount	General Fund Total	Other Funds Total
19-20OP-001	Commissioner Marcoplos	43	Asset Management Services	Increase taxes an additional 1/4 cents to fund county efforts to combat climate change initiatives. <b>Attachment D</b>	\$ (469,272.00)	\$ (469,272.00)	
19-20OP-002	Commissioner Marcoplos	64	Asset Management Services - Transfer to County Capital	Add funds to a Capital Project (AMS) budget appropriation to fund county efforts to combat climate change initiatives. <b>Attachment D</b>	\$ 469,272.00	\$ 469,272.00	
19-20OP-003	Commissioner Dorosin	148	School District Tax	Decrease the CHCCS special district tax by 1.00 cent. The purpose of this amendment is to address the funding inequity in the two school systems.	\$ 1,203,030.00		\$ 1,203,030.00
19-20OP-004	Commissioner Dorosin	148	School District Tax	Decrease allocation of District Tax funds to CHCCS due to decrease in special district tax by 1.00 cent.	\$ (1,203,030.00)		\$ (1,203,030.00)
19-20OP-005	Commissioner Dorosin	43	County-wide	Increase the ad valorem tax by 1.07 cent for education allocated by ADM. The purpose of this amendment is to address the funding inequity in the two school systems.	\$ (2,008,483.00)	\$ (2,008,483.00)	
19-20OP-006	Commissioner Dorosin	148	County-wide	Increase Current Expense Allocation to Schools by ADM <b>CHCCS - \$1,207,902 and OCS - \$800,581</b>	\$ 2,008,483.00	\$ 2,008,483.00	
19-20OP-007	Commissioner Bedford	43	County-wide	Increase the ad valorem tax by 1.066 cents for education allocated by ADM	\$ (1,999,984.00)	\$ (1,999,984.00)	
19-20OP-008	Commissioner Bedford	148	County-wide	Increase Current Expense Allocation to Schools by ADM <b>CHCCS - \$1,202,852 and OCS - \$797,132</b>	\$ 1,999,984.00	\$ 1,999,984.00	
19-20OP-009	Commissioner Rich	43	County-wide	Increase the Ad valorem tax by 4.30 cents which reflects the Upfront Tax Rate for Debt Service rather than the Phase-In of 1.50 cents contained in the Manager's Recommended Budget	\$ (8,071,474.10)	\$ (8,071,474.10)	

19-20OP-010	Commissioner Rich	407	Transfer to Debt Service Reserve Fund	Transfer 4.30 cents Ad Valorem tax proceeds to a Debt Service Reserve Fund	\$ 8,071,474.10	\$ 8,071,474.10	
19-20OP-011	Commissioner Marcoplos	62	Economic Development	Hire a consultant to compile an inventory of agencies participating in the workforce development pipeline available to Orange County and assess the feasibility of a Tradecraft Center. <b>Attachments (A1), (A2)</b> Use Article 46 Sales tax to fund the initiative.	\$ 20,000.00	\$ -	\$ 20,000.00
19-20OP-012	Commissioner Greene	109	OCPEH	To enable funding for an ongoing full-time position for housing locator within the Community Empowerment Fund. The OCPEH will administer the contract and funding will be distributed according to current allocation within the Partnership. Offsetting Revenue from the Town's share is \$21,488. <b>Attachment B</b>	\$ 35,226.00	\$ 13,738.00	\$ 35,226.00
19-20OP-013	Commissioner Rich	71	BOCC	Increase the base salary to \$23,591 for the County Commissioners to the regional average compensation as well as the cellphone allowance to \$85/month, the internet to \$75/month, and car allowance of \$200/month. <b>Attachment C</b>	\$ 26,737.00	\$ 26,737.00	
19-20OP-014	Commissioner Rich	71	BOCC	Add funds to the Commissioners travel line item in the County Clerk's appropriation to cover anticipated increase in travel expenses for conferences and training for FY2019-20.	\$ 4,000.00	\$ 4,000.00	
19-20OP-015	Commissioner Price	447	DEAPR	Eliminate the revenue for the user fee of \$3 per person to participate in open gym at the Parks & Recreation gymnasium.	\$ 1,500.00	\$ 1,500.00	

19-20OP-016	Commissioner Rich	Various Pages	County-wide	Increase mobile telephone stipend from \$35 to \$50 per month for county employees who use personal mobile telephones for county business.	\$ 22,590.00	\$ 22,590.00	
19-20OP-017	Staff	306	Non Departmental - Community Services	Increase in Triangle Area Rural Planning Organization (TARPO) dues for FY 2019-20 from \$7,500 to \$9,000	\$ 1,500.00	\$ 1,500.00	
19-20OP-018	Staff	371	Sheriff's Office	Add a 1.0 FTE Deputy Sheriff I position to provide School Resource Officer (SRO) services at Eno River Academy. The County will receive reimbursement for the 10 month School Year associated expenditures. Offsetting revenue of \$56,422 from Eno River Academy for SRO services for the 10 month School Year period	\$ 67,706.00	\$ 11,284.00	
19-20OP-019	Staff	246	County Manager	Increase Emergency Medical Services Collections by \$250,000	\$ (250,000.00)	\$ (250,000.00)	
19-20OP-020	Commissioner Rich	109	County Manager	Decrease \$4,000 in Food Council division for one-time Equity Training that was budgeted in FY 2018-19	\$ (4,000.00)	\$ (4,000.00)	
19-20OP-021	Staff	495	Solid Waste	Add a Storm Debris Fee Waiver option to the County Fee Schedule to allow limited storm fee waivers for residents following undeclared storm events.			TBD
19-20OP-022	Staff	407	Asset Management Services - Transfer to County Capital	Use funds of \$154,000 from additional EMS collection revenue for the Facility Accessibility, Safety and Security Improvements Capital Project for Elevator modernization at the Richard E. Whitted Facility	\$ 154,000.00	\$ 154,000.00	
19-20OP-023	Staff	64	Asset Management Services	Add funds of \$15,000 for a Temporary position in AMS to assist with Capital Projects management	\$ 15,000.00	\$ 15,000.00	

19-20OP-024	Commissioner Greene		County-wide	Add to the County Travel Policy that travel expenses for Commissioners and County staff will include the purchase of carbon offsets for any airfare and the miles traveled by Car Share vehicles. This will also be included in the Financial Policy section of the Budget Ordinance. The impact is currently estimated at approximately \$1,100 and will be covered in departmental budgets.			
19-20OP-025	Staff	407	Transfer to Affordable Housing Initiatives/Community Development Fund	Due to a reduction in HUD funds in the HOME Program, reduce \$4,479 for the County's share of the FY 2019-20 HOME Program	\$ (4,479.00)	\$ (4,479.00)	\$ (58,024.00)
19-20OP-026	Commissioner McKee	338	Outside Agency	Increase funding to Orange County Rural Alliance by \$5,000 to assist in funding meal deliveries in rural areas of the County	\$ 5,000.00	\$ 5,000.00	
19-20OP-027							
<b>Totals</b>					<b>\$ 94,780.00</b>	<b>\$ (3,130.00)</b>	<b>\$ (2,798.00)</b>

Commissioner Dorosin asked if the CIP amendment list "total" refers to the total amount if every amendment were to be adopted.

Travis Myren said the first column is the total amount, on a net basis, that would be added to the Manager's recommended budget should all amendments be passed. He said the general fund impact is actually a surplus, which is noted in the second column. He said the third column is "other funds," as there are a few amendments that affect the district tax fund and the article 46 tax fund.

Commissioner Dorosin asked if the net is the total of those two.

Travis Myren said what would affect the tax rate would be the \$3,130 amount.

Commissioner Dorosin said the bottom line on the CIP amendment list is -\$23,400.

Travis Myren said, compared with the manager's recommended budget, the project total that the Board of County Commissioners (BOCC) would approve, would be \$23,000 less.

Commissioner Greene referred to the CIP list, and asked if it includes the two vans.

Travis Myren said yes, this is included in item #8.

Commissioner McKee referred to the CIP list and the delayed purchase for the library, and said this is not a \$750,000 reduction, but rather a delay.

Travis Myren said this would affect year 1, which the BOCC is approving tonight, but would move out to the 2021.

Commissioner McKee said the \$23,403 is not really a savings, as these expenses are just being pushed out to a later year.

Travis Myren said it is a timing savings.

Commissioner Dorosin said it is a change from what is listed in the CIP.

Commissioner McKee said he just wants to be clear that this is not a savings, but a delay of expenses, which offsets in year 1 the additional CIP spending.

Travis Myren said there is some infusion of cash from amendment #10.

Commissioner Price referred to the bottom figure on the green sheet, and clarified that this is taking in two different amended proposals on the schools.

Travis Myren said those two proposals net out to zero, because the County is bringing in as much tax revenue as it is spending.

Commissioner Dorosin said suggested starting with amendments 9 and 10 on the green sheet, and whether the Board prefers the Manager's recommended 1.5 cent tax increase or the 4.5 cent tax increase. He said the outcome of these votes go may affect how the Board feels about other amendments.

Bonnie Hammersley said amendment # 9 (Increase the Ad valorem tax by 4.30 cents which reflects the Upfront Tax Rate for Debt Service, rather than the Phase-In of 1.50 cents contained in the Manager's Recommended Budget) was option 2 of the recommended budget. She said she recommended the phase in of 1.5 cent, and this second option would do an upfront increasing of taxes to the amount needed throughout the debt to 2021-22, and would create a debt service reserve, into which the money would go.

Bonnie Hammersley said amendment #10 is to create the debt service reserve fund (Transfer 4.30 cents Ad Valorem tax proceeds to a Debt Service Reserve Fund) if the BOCC approves amendment #9.

Commissioner Dorosin said the options before the Board are 1.5 cents as recommended by the Manager.

Bonnie Hammersley said yes, this would be reviewed annually and there would be a phase in of the cost needed to cover debt service.

Bonnie Hammersley said option 2 would be to do the 1.5-cent increase, plus pay upfront the future debt service and create a debt service reserves. She said this would raise the tax rate to 5.8 cents (1.5 plus 4.3).

Chair Rich said the 4.30 would be in the reserve fund, and be paid through 2022.

Bonnie Hammersley said it is a continuum that is paid up front, and is what staff anticipates the need to be through 2021. She said there is not a sunset, and staff is not recommending that this tax rate be stopped. She said the Board that is sitting at that time may choose to stop the tax.

Commissioner McKee asked if the "not stopping" part could be clarified.

Bonnie Hammersley said the Board would increase taxes in an ongoing manner until the Board changes it.

Commissioner McKee asked if there is a reason the 4.30 cents rate would be needed in an ongoing fashion.

Bonnie Hammersley said the debt is twenty years, and hits a peak in 20-21.

Travis Myren said they peak out at about 44.4 million, and once this peak has been hit, and nothing is changed, then the debt service will start falling off, and the sitting board may choose to reduce the tax rate as the debt is satisfied and paid off.

Bonnie Hammersley said they hit the peak at 21-22, and the board sitting at that time can make a decision to keep the rate the same or change it.

Commissioner Price asked if this type of vote will be needed every year, on this same debt.

Bonnie Hammersley said if the Board chooses to do it up front, it will not have to be done next year, as the up front will be there; but if the Board chooses to phase it in, the sitting Board will always have the option to change it from year to year. She said the upfront format is just an option, and she did not recommend this option because there are uncertainties in place and it may or may not be needed.

Commissioner Dorosin said he will vote against the higher up front rate, given the economic uncertainties.

Chair Rich said this is one of the reasons why Bonnie Hammersley recommended the 1.5-cent tax increase. She said doing yearly increases may result in greater costs over the long run, but that is just part of the reality.

Commissioner McKee said he would not support the upfront tax.

Commissioner Price said she would support the Manager's recommendation.

Commissioner Marcoplos said he thinks there are potential net savings with the upfront tax, but given the things that have been mentioned already, he would support the Manager's recommendation.

Chair Rich said there is consensus to go with the Manager's recommendation.

Bonnie Hammersley said then there is no need for Amendment #10.

Commissioner Dorosin suggested doing all of the school amendments next (Amendments #3-8).

Bonnie Hammersley said the Board needs to vote on amendments # 9 & 10 first.

A motion was made by Commissioner Dorosin, seconded by Commissioner McKee to reject amendments #9 and #10.

#### **VOTE: UNANIMOUS**

#### **Amendment 003 - (Decrease the CHCCS special district tax by 1.00 cent. The purpose of this amendment is to address the funding inequity in the two school systems.)**

Commissioner Dorosin said this amendment seeks to accomplish two goals: maintain a high level of education funding, and try to address funding inequities and distribute funding and resources more equitably throughout the County. He said this amendment takes a small step toward addressing the inequitable distribution of resources, while maintaining a high level of funding for education.

Commissioner Dorosin said this is a one-cent increase on the ad valorem tax, bringing in over \$2 million, all of which will be dedicated to education. He said the Board will increase the County's contribution to the per pupil allocation, which will go up, and at the same time the Board will reduce the special district tax in Chapel Hill Carrboro City Schools (CHCCS) by 1-cent. He said there is no reduction in educational spending, and CHCCS will receive the same amount of money proposed by the Manager's budget, but this would change the pots from which the money comes. He said CHCCS will get a bigger chunk of money from the ad valorem pot, and an offsetting smaller chunk from the district tax pot. He said there is no net loss of funding, and there is no proposal to determine how the funds are used, but rather is designed to recognize long-standing disparities between the school districts. He said school funding decisions should be based on what it costs to provide the quality of education that the students in Orange County should receive. He said if this is \$6000 per pupil (which is what is received in CHCCS), then the County should work towards every child getting this amount. He said he does not believe it costs \$2000 more to educate a child in CHCCS, as opposed to the Orange County Schools (OCS)

Commissioner Marcoplos applauded Commissioner Dorosin for bringing this forward. He said it is a complicated issue, and for the Board to address this properly there needs to be a more in-depth process and involve all of the stakeholders. He said Commissioner Dorosin's suggestion is great for the schools, but the burden will fall on the OCS taxpayers

Commissioner Marcoplos proposed to take this seriously, but to discuss this process in more detail. He said making a quick action right now would not be in the best interest of the County.

Commissioner McKee said this issue was debated and decided in the mid-2000s when merger was discussed, and Commissioner Dorosin's suggestion would shift the cost to the OCS taxpayers, and the tax increase would be divided 60% to CHCCS and 40% to OCS.

Commissioner Dorosin said it is misleading to describe it this way, as everyone will pay the tax increase.

Commissioner McKee said but that was Commissioner Dorosin's wording in an email.

Commissioner Dorosin said everyone pays the increase, and \$2 million comes in from everyone, and is divided according to ADM, just as it always has been. He said it is not accurate to say that OCS is subsidizing CHCCS

Commissioner McKee said CHCCS taxpayers will be tax neutral with a 1-cent reduction in the district tax and a 1-cent increase in County property tax. He said it would not be neutral for the OCS taxpayer.

Commissioner Dorosin said but the monies would be divided the same way that all County money is divided for the schools.

Commissioner Price said CHCCS would still receive the special tax.

Commissioner McKee said yes, but it would be decreased by a penny.

Commissioner McKee said CHCCS would be a penny less in the district tax and one more penny in the County tax, which makes it tax neutral for CHCCS taxpayers. He said for OCS taxpayers, it amounts to a 1-cent tax increase, of which only 40% goes to OCS schools.

Commissioner Dorosin said Commissioner McKee could say that about every penny that is collected: 60% goes to CHCCS and 40% to OCS.

Commissioner McKee said in every other case, a 1-cent increase is for everybody in the County, and in this case it is a 1-cent increase for the OCS taxpayers, and no increase for CHCCS taxpayers.

Commissioner McKee said he is in complete agreement with Commissioner Dorosin about the inequity of the funding, but this is a tax that was put in specifically by the residents of Chapel Hill for the residents of the CHCCS through the legislature through special action. He said it has been in effect for years, and while he would love to find some way to address it, he does not know how to do so. He said the only way he can see to make a change is to permanently freeze the district tax, and over a long period of time, the increases in funding would shift.

Commissioner Dorosin said he does not think this is true, because if the Board freezes the district funding and raises the property tax every year, there will always be the gap where the district funding was frozen. He said the outcome of his proposal is that the per pupil spending for OCS will go up, and the per pupil spending for CHCCS will remain the same.

Commissioner Bedford said she was on the 2006 committee about fair funding, and OCS turned down a special district tax as the tax base was lower. She said the committee struggled with what would be most fair, and the County has to fund the same per pupil amount. She said the committee considered the will of the taxpayers, and how satisfied people were with the schools. She said the committee found that residents are happy with the schools overall, and residents of northern Orange County were unwilling to pay as much as the residents in the CHCCS district. She said it is not just an issue of where people can afford to live. She said CHCCS has 27% free and reduced lunch, and even undocumented people will find ways to live in the district to access the education. She said she lives in a 1500 square foot ranch in CHCCS because that is what she could afford, and needed to be CHCCS to best meet the needs of her child with autism. She said CHCCS has 600% more special education and autistic children than the state would predict or expect. She said all of these variables must be considered.

Commissioner Bedford said this is not the year to do this proposed amendment, as the BOCC is not even fully funding the CHCCS continuation budget. She said the Manager's proposed increase will fund the OCS continuation budget, but not the expansion budget. She

said she believes the district tax to be fair if the Board is fully funding the needs of OCS students, and those are needs are determined by the democratically elected OCS school board, and the willingness of the OCS taxpayers to pay. She said she sees no problem, if residents want to pay more for the “extras”. She said the districts have collaborated well, and there is room for more growth in the future.

Commissioner Bedford said the County also does not need to call attention from the General Assembly (GA) until after the 2020 elections. She said the district tax has been in place since 1909, and the GA can abolish it instantly.

Commissioner Greene said she respected Commissioner Dorosin’ proposal, and agrees with the need to discuss the question of equity, but Commissioner Marcoplos is making a good point that there is a bigger conversation that needs to take place. She said she is not sure what the parents in OCS feels about the schools and additional taxes, and maybe the Board needs to reengage this conversation.

Commissioner Price said she liked this proposal, but it is too early for the Board to make a decision tonight, and the school boards need to be involved in discussion. She said the Board does need to do something about the inequity, and the landscape has changed since 2006 and thus an updated conversation is warranted. She said it has always been strange to her to have two school districts vying for the same funding.

Chair Rich said Commissioner Dorosin has been trying for years to find an equitable way to fund the schools. She said she has heard from people that live in the County who are not in favor of this. She said it is time to engage the parents of OCS, and to find out what their focus is. She would like to bring this question to the school collaboration.

Commissioner Dorosin said he appreciated the Board’s remarks, but he will insist that this conversation keep going, and to reevaluate the needs and the changing demographics in OCS. He said the Board must make this a more critical issue, especially due to the increase of low-income and ESL students in OCS and the “white flight” to charter schools.

Commissioner Dorosin said the per pupil allocation from the County would go up for both school districts. He said in CHCCS, with the reduction in the special district tax, the total per pupil for CHCCS would stay the same. He said the OCS per pupil would go up. He agreed getting information from residents is important, but wonders if the Board really thinks it costs \$2000 more in one district, as opposed to another district. He said he did not think so, but the Board needs to justify this to all residents in the County.

A motion was made by Commissioner Dorosin to approve Amendments 003, 004, 005, 006.

NO SECOND

### **MOTION FAILS**

A motion was made by Commissioner McKee, seconded by Commissioner Greene to reject amendments – 003, 004, 005, 006.

Chair Rich said she would like to work with Commissioner Dorosin to put a timeframe on this discussion.

Commissioner Dorosin said he would like to draw other BOCC members into that discussion as well.

**VOTE: Ayes, 6; Nays, 1 (Commissioner Dorosin)**

**Amendments # 7 (Increase the ad valorem tax by 1.066 cents for education allocated by ADM) and # 8 (Increase Current Expense Allocation to Schools by ADM CHCCS - \$1,202,852 and OCS - \$797,132**

Commissioner Bedford said she is proposing 1.066-cent increase to the ad valorem tax to fully fund OCS budget request. She said the state is not going to do a 3% salary increase for classified staff, but rather is offering 1% or \$500, whichever is greater. She said the BOCC has done all it can to support education in Orange County, but the recession and changes in the GA have lead to the state leading an intentional decimation of public education. She said 2 years ago, OCS cut 29 positions, 19 of which were to balance the local budget and class sizes in grades 4-8 were increased to 1:27 students. She said OCS office staff was also greatly reduced at that time. She said OCS is about to embark on some equity training, but the classified staff not being paid for teacher workdays seems counter intuitive. She said her proposal will not allow for CHCCS to meet its continuation budget, but it is a step in the right direction. She said she recognizes that it is still a tax increase, and does not want to unduly burden residents, but feels this will be money well spent.

Commissioner McKee asked if the Manager's recommended amount for OPED could be identified.

Bonnie Hammersley said she is recommending adding \$250,000 to OPED.

Commissioner McKee asked if Commissioner Bedford would be amenable to transferring the OPED monies to the schools, instead of increasing the tax.

Commissioner Bedford said every bit helps.

Commissioner Dorosin said he appreciated this proposal, and if the goal was to help OCS then his amendment would have done that. He appreciated Commissioner Bedford's analysis, but this problem is about getting all of the schools more money not just OCS.

Commissioner Marcoplos said he could support Commissioner McKee's recommendation.

Commissioner McKee said it would amend the amendment to distribute \$250,000 from OPED allocation to distribution on the ADM for the school districts. He said it would not be an additional cost to the budget.

Commissioner Greene said Commissioner Bedford's amendment would yield about \$2 million, and Commissioner McKee's would be \$250,000. She said these two numbers are not even close, and she does not get the rationale.

Commissioner McKee said Orange County is 7<sup>th</sup> highest taxing county in the state, and this is driving many residents out, and not just low-income residents. He said he is adamantly opposed to continuing to add tax, on top of tax, on top of tax, as the residents cannot sustain it.

Commissioner McKee said until, and unless, these school boards address the disparities and outcomes and the flight in OCS to charters, he may well stop supporting any more funding to the schools. He said CHCCS has the highest disparity in the nation, and OCS has 10% of children in charter schools. He said he is too old to care if he is re-elected, but he is not too old to care about these kids.

Commissioner Greene said she appreciated his sincerity, but the \$250,000 does not seem the way to go here. She said she knows that OPED is an issue, and that is not the best use of these monies.

Commissioner McKee said he agreed, and he has opposed using OPED monies for 9 years, until tonight.

Commissioner Price said she knows Commissioner Bedford is trying to fully fund one budget, and asked if she would consider a lower amount.

Commissioner Bedford said what about a ½ cent increase for the ADM, yielding about \$938,500, which is a per pupil increase equivalent of \$46. He said this would give CHCCS \$564,000 and OCS \$374,000.

Chair Rich said this would be an additional \$46 on top of \$175 proposed per pupil.

Commissioner Dorosin said he is not interested in raising money just for schools without addressing the inequities, and would not support it.

Commissioner Marcoplos asked if the actual costs could be identified.

Commissioner Dorosin said everyone would have it added to their tax bills.

Commissioner Marcoplos said the CHCCS would have this taken back out due to the reduction in the special district tax, and the net is that OCS residents would have additional costs.

Commissioner Dorosin said yes, but OCS would also have additional per pupil funds.

Commissioner Marcoplos said he has lived in the OCS district for 40 years, and there is a widespread positivity towards the schools, but there is less wealth in the County and residents seem fine with the schools the way they are. He said Commissioner Dorosin's proposal would increase the tax rate in OCS, and the residents likely would not support this. He said he would like to know how much it would cost the OCS taxpayer in Commissioner Dorosin's proposal versus Commissioner Bedford's.

Commissioner Dorosin said if the increase were 1-cent, the cost would be the same.

Chair Rich said it is the same.

Commissioner Marcoplos asked if it would cost the same amount of money under Commissioner Bedford's plan, and said he is not sure that is true.

Commissioner Dorosin said Commissioner Bedford is now proposing a ½ cent increase. He said Commissioner Bedford is proposing a County property tax rate hike, and the impact of his proposal is the same. He said the difference with his proposal is that there would be a reduction in the CHCCS special district tax, and his proposal results in an increase in the per pupil spending in OCS, while the CHCCS per pupil remains constant. He said Commissioner Bedford's proposal keeps the disparity between the two districts, and moves it up equally.

Commissioner Marcoplos said a .05-cent increase would be the same amount of money per pupil whether it was done as a straight increase, or whether it was done in combination with the .05-cent reduction in the CHCCS special district tax.

Commissioner Dorosin said it would not be exactly the same, and reiterated previously made comments.

Commissioner Marcoplos asked if both proposals end up with the same amount of money per student, but one decreases the CHCCS special tax and one increases the OCS tax.

Chair Rich said no.

Chair Rich said there are two options before the Board: Commissioner Bedford or Commissioner McKee's proposal.

Commissioner McKee said he would not make a motion, out of respect for Commissioner Bedford's amendment.

A motion was made by Commissioner Bedford to increase by ½ cent Ad valorem tax to go to the schools.

**NO SECOND**

### **MOTION FAILS**

A motion was made by Commissioner McKee, seconded by Commissioner Marcoplos to transfer \$250 000 from the OPED line item to the ADM schools.

Commissioner Greene asked if the more senior members of the Board have thoughts about OPED.

Bonnie Hammersley said \$250,000 is only what is recommended in her budget, and there is about \$8 million in the OPED Budget.

Commissioner Price said she was thinking of using OPED for another amendment.

Commissioner Dorosin said the Board has been very conservative on the OPED funding, and this is a reasonable amount to use. He said he is more concerned about the value of the token gesture.

Commissioner Bedford said every penny helps the schools.

Commissioner Marcoplos said he is happy with this motion.

Chair Rich said the Board has used OPED funding in the past.

**VOTE: Ayes, 6; Nays, 1 (Commissioner Dorosin)**

Commissioner McKee said it is unusual for him to support using OPED, and he will return to his long-standing position against doing so, moving forward.

**Amendment 001- (Increase taxes an additional 1/4 cents to fund county efforts to combat climate change initiatives. Attachment D)**

A quarter cent tax increase for Orange County would yield \$469,272.

Commissioner Marcoplos said recent years have shown that the world is facing a climate crisis unlike anything previously envisioned. He said the science is clear that this is a very real crisis. He said all are experiencing climate change, and he cited examples, which are the impetus of this proposal. He said the Commission for the Environment (CfE) unanimously supported his proposal at its meeting last night.

Commissioner Marcoplos said on June 6<sup>th</sup> 2017 the Board of County Commissioners passed a resolution to uphold the Paris Climate Agreement, and he read portions of the resolution:

**“WHEREAS**, Orange County, North Carolina has reduced energy consumption by 15% per square foot since 2012, has made a formal resolution to reduce carbon emissions by 80% by 2050 against 2005 levels, and has committed to move to 100% renewable energy by 2050, and

**WHEREAS**, President Trump has committed to withdrawing the United States from the Paris Agreement, thereby retreating from the commitment to limit global warming to below two degrees Celsius; and

**WHEREAS**, Orange County, North Carolina and other state and local governments must commit to aggressive climate action in the absence of federal leadership,

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Orange County Commissioners hereby commits to proportionally upholding the commitment made by the United States in the Paris Agreement to reduce greenhouse gas emissions between 26 and 28 percent by 2025 from 2005 levels.”

Commissioner Marcoplos said Commissioner Price requested that this resolution be sent to all counties across the state, to encourage the adoption of this resolution. He said keeping this commitment will require resources.

Commissioner Marcoplos said on September 5<sup>th</sup> the Board of Commissioners adopted the following:

SECTION 1. Orange County, the State of North Carolina, and the United States shall transition from a fossil fuel-based economy to a 100% clean renewable energy for all energy sectors-based economy, by January 1, 2050 or sooner to avoid climate catastrophe, to promote job creation and economic growth, and to protect the Earth for current and future generations from climate catastrophe.

Commissioner Marcoplos said his proposed amendment is a ¼-cent tax to fund climate change investment projects and reduce energy, etc.

Commissioner Marcoplos said projects have been identified in the past, and he has been working with the Sustainability Coordinator, which could allow the County to move as quickly as a matter of weeks to initiate a weatherization project.

Commissioner Marcoplos said there is a social justice component to this proposal, such as the weatherization project, as those most affected by climate change are those of low income and means.

He said the weatherization project and a Solar Array would be a good place to start in the first 6 months, while researching other ideas for the next round of investment projects. He said both of these projects are familiar to residents, and would have an impact on energy usage.

Commissioner Marcoplos said another part of this issue is that Orange County can be a leader, and other governments in the area are watching to see if a modest tax increase can move progress forward. He said Orange County could inspire other local governments, as well as the private sector, and share information from its own projects to help jump-start other efforts.

Commissioner Marcoplos said there is a lot of despair around climate change, especially with the younger generation, who wants to be involved in moving this forward. He said the County should brand itself as an alternative energy provider and leader, and it will attract businesses with this topic at their core.

Commissioner Marcoplos said he feels deeply that the County must move on this now, and he said quoted Bill McKibben: "If there's one thing I could get across to people about global warming, it would be winning slowly is just another way of losing." He said the County has a responsibility to the future, and this is a small and progressive tax.

Commissioner McKee said he does not dispute the climate change crisis, and has been farming all of this life, living and dying by the weather. He said what is critical to him in this proposal is that the County is already doing many of these things: solar, weatherization, geothermal, etc. He said the County is taking action through the CIP, and the Board brings projects forward one at a time. He said the Board is not going to backtrack on this.

Commissioner McKee said his main objection to this was that this proposal was not on the website, and he thought all of the proposed amendments were posted. He said, as a result, not enough people have had a chance to weigh in on this proposal. He said the BOCC has received many emails on this, and the public should have been able to weigh in, as this topic has been one of the more vocal issues in recent years. He said he fully supports green energy, weatherization, and many other projects, but this amendment dedicates a revenue source that eliminates the revenue source being used for other projects that the County may need to fund. He said he is fundamentally and philosophically opposed to dedicated taxes, but his main objection is that this type of proposal should be put through a public process.

Commissioner Price agreed, but this is not a new topic, and many people have been well aware of climate change for many years. She said the County is working on weatherization through the Department of Housing, and formerly JOCCA was doing the same. She said there are several solar arrays in Orange County already.

Commissioner Price said Commissioner Marcoplos came up with the proposal after the two budget public hearings, and some of these ideas should become part of the DNA of Orange County, as opposed to a separate tax being levied.

Commissioner Price said she thinks the Board should do a ¼ cents tax for schools, and use OPED monies for this proposed amendment.

Commissioner Greene stressed reasons why this proposed amendment is a good idea:

- CO2 is being released into the atmosphere faster than at any time in at least the last 60 million years
- The energy trapped by man-made global warming pollution is now “equivalent to exploding 500,000 Hiroshima atomic bombs per day 365 days per year.”
- Eighteen of the 19 hottest years on record have occurred since 2001.
- The US Southeast is projected to warm by up to 8 degrees F this century, if we do nothing different.
- Of the 100 US counties projected to suffer the worst impacts of the climate crisis, 97 are in the South.

Commissioner Greene said weatherization and solar arrays speak to all of these needs. She said she has read many emails, and while Orange County is only one small place, every bit of effort to combat climate change is worth it. She said the County's actions could attract the attention of others.

Commissioner Greene said she is not clear about the new building commissioning, and the existing building commissioning. She said this should be done on a regular basis.

Commissioner Greene said she has a strong interest in the amendment that totals \$75,000 to do three \$25,000 studies to assess the potential of geothermal wells for three Orange County sites, and this is a concrete goal that could be placed into this proposed amendment. She said Orange County should take the lead, and approve this tax increase.

Commissioner Bedford said she agreed with the funding goals of the amendment, but would like to achieve these goals without the tax increase. She said it is important that the public be aware that the County has been doing these sustainability projects for years, and she highlighted several examples, particularly in the school districts.

Commissioner Bedford said she is glad that Commissioner Marcoplos is highlighting the climate needs, and she is particularly concerned about weatherization, and believes money for these types of projects could come from the social justice funds.

Commissioner Bedford said some residents have asked her if this item could go to a referendum, and she followed up with the County Attorney (CA), who said no, in North Carolina only certain things can go to a referendum, and ad valorem taxes do not work this way. She said she also learned that increases in ad valorem taxes cannot be dedicated with any binding impact to future boards.

Commissioner Bedford said she looked at pros and cons of dedicated taxes, and said this is not a dedicated tax, but an ad valorem tax. She said a benefit is the provision of a funding stream that sets aside funds for high priority initiatives, but one of the risks is the creation of potential inefficiencies. She said because dedicated taxes support particular programs or services, the amount of money raised reflects that revenue capacity of the tax rather than the actual program needs. She said she thinks the needs will be greater than the amount raised by a ¼ cent tax. She said she would rather raise the ad valorem, if necessary, and fund it through the CIP and use regular mechanisms for funding.

Commissioner Dorosin echoed much of Commissioner Marcoplos' and Greene's comments, but he also thought that whatever the Board does, it has to be viewed through the racial equity and social justice lens, and he said he would like to see this prioritization built into the proposal. He said other entities have dedicated taxes, and future boards can make

changes to anything done by the current BOCC. He said any action that the Board takes must be concrete, measurable and targeted.

Commissioner Greene said Chapel Hill has had a dedicated penny for housing fund for about 6 years, and it is not legally in a lock box, and could be raided, but it has not been. She said this is not all the money that is spent on housing, but rather a portion, and this is how she would see this tax working. She said she does not see it as a limitation, but rather as a down payment on the other things the BOCC needs to be doing. She agrees that all work in this area must be done through a racial justice lens.

Chair Rich said she is in support of this, and it is a good first step. She said the BOCC has been talking about adding solar panels to the community centers for a long time. She said Chapel Hill also has other dedicated funds. She said this fund would allow the BOCC to explore more grant opportunities, as many call for matching funds. She said the County will be spending more money on the environment than just these funds.

Commissioner Marcoplos said one issue raised this evening is the question of public participation on this topic, and that is why he went to the press. He said this conversation has surpassed most budget topics in public participation and discussion.

Commissioner Marcoplos said the BOCC is doing some things in the realm of climate change, but it needs to do more and learn other ways it can address climate change

Commissioner Marcoplos asked if Brennen Bouma, Sustainability Director, could come up and talk about projects.

Commissioner Price asked if there is a reason that this tax is so important to have, as opposed to money that is already available.

Commissioner Marcoplos said it shows a commitment and a minor sacrifice, and it sends a message to other municipalities that this is a viable way to raise monies.

Commissioner Marcoplos said the BOCC does not want to have this conversation every year, and hunt for money. He said the tax will allow funding to be consistently available.

Commissioner Greene said she would like to hear about new and existing building commissioning.

Commissioner Dorosin asked if the BOCC is voting on any specific project this evening. Chair Rich said no.

Commissioner Dorosin said given the time, and the amount of meeting yet to come, he would suggest not going into specifics of projects at this time.

Commissioner Greene agreed with Commissioner Dorosin, and said she would like to see the BOCC determine the intent and spirit behind these funds, should they become available.

Commissioner Marcoplos said weatherization has economic and social justice benefits.

Chair Rich said when there is a motion on the floor, the BOCC can work on the language.

Commissioner Greene asked Brennen Bouma if he would go through his list, and explain why items are included and his rationale for putting these forward.

Brennen Bouma said this list is not comprehensive, but are a reasonable place to begin. He said new the NC Division of Environmental Quality recognizes building commissioning as being something with high payback recognizes. He said this goes further than the County has typically gone. He said staff takes great care in making new building projects as efficient as possible, and this is different as it hires a referee to go on site to follow up with contractors and test structures for air tightness. He said this would be an additional resource to insure that buildings are built to the following specifications:

- New Building Commission - Energy conservation should go hand-in-hand with renewable energy installation to maximize the County's investment, and Commissioning has an excellent track record for ensuring buildings are built well and are performing well

from the start. Payback is often realized within the first 5 years and if the building is performing well there are added benefits in avoiding water intrusion issues and increasing occupant comfort.

- Existing Building Commissioning- This would involve hiring 3rd party experts to analyze building performance and recommend and/or implement the adjustments needed to restore the building's performance to its original performance or better. There is often a 2-year payback on this investment based on an expected range of energy savings between 10% to 35%. These figures are based on a 2015 report from NC DEQ and backed up by a 2016 quote from a local vendor.

Commissioner McKee asked if this proposal is for private buildings, public buildings, or both.

Brennen Bouma said County buildings.

Brennen Bouma said there is a per square foot charge with existing building commissioning, which is based upon whether or not that which is identified is taken care of in that same process. He said this is being done on a piecemeal basis currently, especially with the replacement of equipment: HVAC, lighting, etc. He said this would accelerate this process, and be more intentional.

Brennen Bouma said performance contracting is tricky, but would start an extensive auditing process for County energy use, and a package of energy efficiency items would be put together and financed together. He said the payments on the financing would be matched to the guaranteed energy savings. He said this process is governed and limited by state statute, and there is state staff to help the County in this process. He said there is question as to whether performance contracting is the way to finance these types of energy efficiency improvements. He said Durham and Chapel Hill have done this recently.

Commissioner Marcoplos asked Brennen Bouma if additional resources will be necessary for the Board to meet the goals it has set through 2050, through the adoption of resolutions.

Bonnie Hammersley said that is not for Brennen Bouma to answer, as he is not involved in the budgeting process.

Commissioner McKee said the County is currently putting together a climate change committee, and suggested that the Board move this proposal to the committee's purview and that it engage the public in a discussion and come back to the BOCC with recommendations and costs for next year's budget. He said this can also include Commissioner Dorosin's comments on social justice issues. He said if this issue was put on a ballot in November it would fail, as both sides would gear up with a chorus of pros and cons.

Commissioner McKee said yes of course it will cost more money to hit the Board's identified targets, but there needs to be more of a vetting process by the public and a cross-governmental committee.

A motion was made by Commissioner McKee, seconded by Commissioner Price to move this proposal to the purview of the climate change committee, who will engage the public in a discussion and come back to the Board of County Commissioners with recommendations with costs for next year's budget and can include Commissioner Dorosin's issues on social justice issues.

Commissioner Marcoplos asked if Commissioner McKee's motion would supplant is proposed amendment.

Commissioner McKee said yes.

Commissioner Dorosin said if he supported Commissioner Marcoplos' amendment, it would be with the understanding that the proposed projects proposed are just options, and the

Board can weigh in before any monies are spent. He said he does not want to approve set monies for a particular project.

Commissioner Marcoplos said these ideas were just examples of how the monies could be spent.

Commissioner Dorosin liked what Commissioner Greene said about the \$75,000 already earmarked for geothermal well study, and it would fit into the profile of what this amendment would do.

Commissioner McKee said his motion does not specify projects, or the costs of any projects, but is to insure a full and public vetting, which will provide better solutions within the same timeframe of the amendment.

Commissioner Marcoplos said Commissioner McKee's motion will change the charge of the Climate Change Committee, which may be unfair.

Commissioner Price said she seconded the motion because she wants to bring in other governmental entities, and climate concerns do not go along political boundaries.

**VOTE: Ayes, 2 (Commissioner McKee and Commissioner Price); Nays, 5 (Chair Rich, Commissioner Marcoplos, Commissioner Dorosin, Commission Greene, and Commissioner Bedford).**

A motion was made by Commissioner Marcoplos to adopt this additional 1/4 cents to fund County efforts to combat climate change initiatives and to quickly form a committee that can decide how these funds would be spent, which could be made up of staff and board members.

Commissioner Greene seconded this motion for discussion purposes.

Commissioner Greene said she would like to offer a friendly amendment for this tax to fund efforts to combat climate change, and projects will be prioritized by this Board, following consideration by the Commission for the Environment, according to a formula that weighs the social justice impact most heavily. Examples of potential projects are weatherization, solar panels, geothermal wells, etc.

Commissioner Dorosin suggested adding racial equity.

Commissioner Marcoplos and Commissioner Greene accepted.

**VOTE: Ayes, 4 (Chair Rich, Commissioner Dorosin, Commissioner Greene and Commissioner Marcoplos); Nays, 3 (Commissioner McKee, Commissioner Price, and Commissioner Bedford)**

**Amendment 011- (Hire a consultant to compile an inventory of agencies participating in the workforce development pipeline available to Orange County and assess the feasibility of a Tradecraft Center. Attachments (A1), (A2) Use Article 46 Sales tax to fund the initiative.)**

Commissioner McKee said he does not understand how this does not duplicate the schools' trade programs and Durham Tech's work. He asked if there is a reason to build this.

Commissioner Marcoplos said this idea originated around discussions of elevating the building trades to the craftsman level, and Durham Tech trades education goes on in Durham, not at the Orange County campus. He said there is a need to have a building trades center in Orange County, and many stakeholders at meetings were in agreement. He said this type of center would be more expansive to include plumbing, electrical, drafting, etc.

Commissioner Bedford asked if the Skills Development center provides any of these services.

Bonnie Hammersley said this center offers more soft skills, CNA, etc.

Commissioner Dorosin asked if the County needs to hire an outside consultant for this, and is there not someone already on staff who could do this work.

Bonnie Hammersley said she could look at this, and the idea is that this would be a partnership. She said she does not think County staff could do it alone.

Commissioner Price said the Hillsborough Chamber is working on something like this, and could be a partner.

A motion was made by Commissioner Marcoplos, seconded by Commissioner Dorosin to approve Amendment 011.

Commissioner McKee said he would like to have a discussion with the schools, as to whether this is really needed, and if students are interested. He would also like to fund it through the schools and Durham Tech, rather than something that might even remotely compete with them.

Commissioner Price echoed these comments.

Commissioner Marcoplos said he is aware of the Hillsborough Chamber efforts, which are very low level compared to this group of people who have been meeting. He said there is a huge need for tradespeople, and these skills have to be taught in classrooms unlike any that currently exist in the local high schools. He said the partners around the table are willing to help fundraise, donate materials and tools, etc.

Commissioner McKee asked if there was a failed effort by the group to obtain a grant.

Commissioner Marcoplos said an individual pursued this, and he would not apply the label of failure.

Commissioner Bedford asked if Durham Tech offers trades education in Durham.

Commissioner Marcoplos said yes.

Commissioner Bedford said everything does not have to be replicated in Orange County, and Orange County residents can go to Durham and take classes.

Commissioner Marcoplos said residents do not take the classes because they are offered in Durham.

Commissioner Greene asked if this would be a hit on the article 46 sales tax.

Bonnie Hammersley said the proposal is for \$20,000, which would not be a significant hit, and it would be a one-time only expense. She said this is not included in her recommended budget.

Commissioner Greene said she is impressed with the list of stakeholders around the table, and it is fair to say that people will not travel to Durham to take these classes. She said she hopes it will not be a duplication of efforts.

**VOTE: Ayes, 5 (Chair Rich, Commissioner Dorosin, Commissioner Marcoplos, Commissioner Greene, and Commissioner Bedford); Nays, 2 (Commissioner McKee and Commissioner Price)**

A motion was made by Commissioner Dorosin, seconded by Commissioner Price to adopt the following amendments:

- 15 (Eliminate the revenue for the user fee of \$3 per person to participate in open gym at the Parks & Recreation gymnasium.)
- 17 (Increase in Triangle Area Rural Planning Organization (TARPO) dues for FY 2019-20 from \$7,500 to \$9,000)
- 19 (Increase Emergency Medical Services Collections by \$250,000)

- 20 (Decrease \$4,000 in Food Council division for one-time Equity Training that was budgeted in FY 2018-19)
- 21 (Add a Storm Debris Fee Waiver option to the County Fee Schedule to allow limited storm fee waivers for residents following undeclared storm events.)
- 22 (Use funds of \$154,000 from additional EMS collection revenue for the Facility Accessibility, Safety and Security Improvements Capital Project for Elevator modernization at the Richard E. Whitted Facility)
- 23 (Add funds of \$15,000 for a Temporary position in AMS to assist with Capital Projects management)
- 25 (Due to a reduction in HUD funds in the HOME Program, reduce \$4,479 for the County's share of the FY 2019-20 HOME Program)

**VOTE: UNANIMOUS**

**Amendment 12- (To enable funding for an ongoing full-time position for housing locator within the Community Empowerment Fund. The OCEPH will administer the contract and funding will be distributed according to current allocation within the Partnership. Offsetting Revenue from the Town's share is \$21,488. Attachment B)**

A motion was made by Commissioner Greene, seconded by Commissioner Bedford to approve this amendment.

Commissioner Greene said all three governmental entities are committed to this position.

Chair Rich said she wanted to make sure this is truly a committed partnership between all the entities.

**VOTE: UNANIMOUS**

**Amendment 013-(Increase the base salary to \$23,591 for the County Commissioners to the regional average compensation as well as the cellphone allowance to \$85/month, the internet to \$75/month, and car allowance of \$200/month. Attachment C)**

Chair Rich said this petition was brought forward by former Commissioners Mia Burroughs and Barry Jacobs in 2018, which said:

“Commissioner Burroughs petitioned staff to review the County Commissioners’ compensation package, taking into account the number of BOCC meetings, as well as liasonships. She said the Board of County Commissioners works very hard, and it is not a low-key, part-time job. She said this job is not sustainable for people who work full time, but are not self employed, and in an effort to recruit more diversity over time, the position needs to be attainable for a larger pool of candidates. She asked if staff would come back with a proposal during budget meetings.

Commissioner Jacobs agreed.”

Chair Rich said she took this petition to HR to look at the Board’s entire compensation package. She said this proposed amendment has three components to it:

- Move car allowance out of the base salary
- Raise cell phone and internet stipend
- Raise base salary (based on average of regional salaries)

Commissioner Marcoplos expressed strong support for pulling out the expense figures from the salary, and treat them as reimbursements.

Commissioner Bedford said this money is taxable to the BOCC, and car allowance is the more appropriate term than mileage.

Commissioner Greene agreed this is a good move.

Commissioner Price said the car allowance will show on w-2s.

Commissioner Bedford elaborated on all of the benefits she now receives: health insurance, contributions to her health savings account, County contribution to her retirement plan, and dental. She said if one excludes the health insurance, but includes the other benefits, with just a 2% increase it totals \$29,450.80. She said the County is not age banded, and that health insurance is worth over \$11,728.44. She said the grand total is \$41,179.24.

Commissioner Bedford said she just ran for office, and was expecting the base salary. She said she cannot support an increase.

Commissioner Dorosin said the comparative numbers from the other counties did not include a lot of these benefits.

Chair Rich said not everyone takes the same benefits as Commissioner Bedford.

Commissioner McKee referred to the regional comparative, and said Chatham, Alamance and Person counties should have been included for a true comparison as opposed to just taking the highest wealth/highest paid commissioners counties.

Chair Rich said that information is all on page three, but the average was not calculated.

Commissioner McKee said it should have been.

Commissioner McKee said he is not going to support this because the percentage increase, the BOCC would receive, is larger than that which the County employees will be getting.

Commissioner McKee said his personal base salary, under this increase, would start at \$23,590; \$2400 for travel; \$1920 for tech; \$1000 merit bonus; and he contributes the maximum for the 457 retirement, and receives the maximum County contribution, which adds another \$2172. He said his cash total is \$31,083, plus the health and life insurance benefits he receives. He said the Board gave itself an increase in 2015, and approving this increase would be quite a large jump over 4 years.

Commissioner McKee said he came on this Board in 2010 knowing he was getting \$14,000 as a base salary, which moved to \$15,672 in 2013; \$15,900 in 2014; \$21,401 in 2015; \$21,800 in 2016; \$22,049 in 2017; and again in 2018 with all County employees.

Commissioner McKee said if the BOCC approves this, it would be making more than the bottom 3 tiers of County employees. He said the BOCC is not working 40 hours a week, has 10 weeks off in the summer, and 6 weeks off in the winter. He said he cannot justify this proposed increase, but would support a modest increase, such as a 2% increase like the other employees.

Chair Rich said former commissioners brought this up because citizens that have full time jobs find it difficult to serve as commissioners, and perhaps this increase would recruit more diversity.

Commissioner McKee said he would support a modest increase.

Commissioner Greene said the goal should be to reach a reasonable level and attract a broader demographic of candidates. She said she feels like Commissioner Bedford, and if the proposal were to move forward, it should not take effect until after the 2020 election. She thought the comparables made sense, but noted that municipalities dominate Durham and Wake counties, and they do not have the rural issues to navigate like Orange County. She said she works hard as heck, and she admired those Commissioners who work full time. She said it make sense to increase the salaries in hopes of recruiting more diversity.

Commissioner Dorosin said other entities are shocked by how much the Orange County BOCC works. He said he would ask if the Commissioners are paid equitably for the time they

put in, and it is a challenge to work full time and be a Commissioner. He said he likes Commissioner Greene's proposal, and finds it be reasonable. He said to increase diversity the Board needs to look at how efficiently it works. He would support this amendment with a post date of December 2020, and said he is fine with the line items.

Commissioner Marcoplos said the most time that he puts in is not at meetings, and the time he puts in is worth it. He said the idea that increasing the salary to a regional average, in order to attract greater diversity, is a reasonable one. He said putting it off to the future is fine, but it seems like a little time bomb.

Commissioner Price referred to the line items, and asked if Commissioner Dorosin is fine with the proposal as written, with the addition of the date of December 2020.

Commissioner Dorosin said yes.

Commissioner Price said she agreed with Commissioner Greene's proposal, except for the cell and Internet increase, which she would support changing now or leaving it up to the individual.

Commissioner Price said the Commissioners need the car allowance, and she would support having this now.

Chair Rich said this allowance is given currently, and she is recommending folding it out of the base salary. She said she would like to come up with one number for the phone and Internet allowance.

Commissioner Price said she just wants to insure that these items are not delayed until 2020.

A motion was made by Commissioner Greene, seconded by Commissioner Dorosin to move the proposal as is with the exception for the salary increase, which would not be implemented until December 2020; and the cell and internet allowance would begin this year; and the \$200 car allowance would be a separate line out of salaries, effective immediately.

**VOTE: Ayes, 5 (Chair Rich, Commissioner Dorosin, Commissioner Price, Commissioner Marcoplos, and Commissioner Macrcoplos); Nays, 2 (Commissioner Bedford and Commissioner McKee)**

**Amendment 14 (Add funds to the Commissioners travel line item in the County Clerk's appropriation to cover anticipated increase in travel expenses for conferences and training for FY2019-20)**

A motion was by Commissioner Price, seconded by Commissioner Bedford to approve amendment 014.

Commissioner McKee said he was shocked to recently learn that the Board had limited funds in its travel budget, and he would ask that each individual be judicious in their travel spending.

Chair Rich said she asked the Clerk to the Board to provide a quarterly report on each member's travel expenditures going forward.

**VOTE: Ayes, 6; Nays, 1 (Commissioner Marcoplos)**

Commissioner Marcoplos said there is a lot of money in this line item, and it could be better distributed.

**Amendment 16- (Increase mobile telephone stipend from \$35 to \$50 per month for County employees who use personal mobile telephones for County business)**

A motion was made by Commissioner McKee, seconded by Commissioner Price to approve this amendment.

**VOTE: UNANIMOUS**

**Amendment 18: (Add a 1.0 FTE Deputy Sheriff I position to provide School Resource Officer (SRO) services at Eno River Academy (ERA). The County will receive reimbursement for the 10 month School Year associated expenditures. Offsetting revenue of \$56,422 from Eno River Academy for SRO services for the 10-month School Year period.)**

Bonnie Hammersley said the Sheriff was approached by ERA about having an SRO on site. She said the Sheriff has agreed to do this, and the revenue coming from ERA would be \$56,422 for the 10-month school period. She said the Sheriff has requested a FTE, and this is the first charter school that has made this type of request. She said the BOCC must provide approval as it is creating a new position within the department.

Commissioner Dorosin said he is against this, and does not want County staff working in a private school. He said approval of this amendment would set a precedent. He said he hopes there will be broader conversations about SROs with the school districts in the near future.

Commissioner McKee said this position would protect children, which he strongly supports, regardless of where the children go to school.

Commissioner Dorosin said the school can still hire a security officer.

Commissioner McKee said the County provides SROs to other students.

Commissioner Bedford asked if ERA serves certain grades.

Commissioner Marcoplos said it is a K-12 school.

Commissioner Bedford said she does not support this amendment either, and the Sheriff's office has other funds that could cover the 2 months not covered by the ERA contract.

Commissioner Marcoplos said this topic is part of a larger discussion, and it would be breaking new ground. He said the County needs to have more discussions with the charter schools, and should not make any decisions at this time.

Commissioner Greene agreed.

Commissioner Price said she does not support this amendment.

A motion was made by Commissioner McKee to approve this amendment.

**NO SECOND**

**Motion fails.**

**Amendment 24 (Add to the County Travel Policy that travel expenses for Commissioners and County staff will include the purchase of carbon offsets for any airfare and the miles traveled by Car Share vehicles. This will also be included in the Financial Policy section of the Budget Ordinance. The impact is currently estimated at approximately \$1,100 and will be covered in departmental budgets.)**

Commissioner Greene said there is no budget consequence, and this is a policy decision and staff would work with Brennen Bouma to optimize car share vehicles.

A motion was made by Commissioner Dorosin, seconded by Commissioner McKee to approve amendment 024.

**VOTE: UNANIMOUS****Amendment 26 (Increase funding to Orange County Rural Alliance (OCRA) by \$5,000 to assist in funding meal deliveries in rural areas of the County)**

Commissioner McKee said this organization was formed due to gaps in Meals on Wheels, and it is expanded the number of people it is serving. He said he knew he would oppose many amendments tonight, and was reluctant to put one of his own forward, but he considers providing food to those who need it as a worthy item to consider.

Commissioner Price asked if OCIM or Chapel Hill Meals on Wheels have requested more money.

Commissioner McKee said he has only been approached by OCRA.

Commissioner Price asked if OCRA is receiving money via the outside agency process.

Bonnie Hammersley said no one was fully funded by the outside agency process.

Commissioner Price said she thought these contracts had been pulled out and were working with the Department of Social Services (DSS).

Bonnie Hammersley said the money given to OCIM and IFC was not for meals.

Nancy Coston, DSS Director, said at the end of last year, the BOCC put some money in for food delivery with the OCIM and OCRA contracts with DSS. She said this was a one time thing, and the agencies both went through the outside agency process this year, were graded, and received allotted funds.

A motion was made by Commissioner McKee to approve this amendment.

**NO SECOND  
MOTION FAILS**

Commissioner Marcoplos said the Board needs to let the outside agency process work.

**2. Discussion of FY2019-24 Capital Investment Plan**

The FY 2019-24 CIP includes County Projects, School Projects, and Proprietary Projects. The School Projects include Chapel Hill-Carrboro City Schools, Orange County Schools, and Durham Technical Community College – Orange County Campus projects. The Proprietary Projects include Water and Sewer, Solid Waste Enterprise Fund, and Sportsplex projects. The CIP has been prepared anticipating moderate economic growth of approximately 2% in property tax growth and 4% in sales tax growth annually over the next five years. Many of the projects in the CIP will rely on debt financing to fund the projects.

The items below include revisions made to the following Capital Projects since the presentation of the Manager's Recommended Capital Investment Plan on April 2, 2019:

- At the May 23, 2019 Budget Work Session, staff included a revised Schools Capital Projects Summary reflecting adjustments made in regards to an increased amount of Article 46 Sales Tax funding, as well as changes to the FY 2019-20 budgeted ADM percentages, based on changes made from the time of the original CIP presentation and the FY 2019-20 Manager's Recommended Operating Budget presentation. The impact of these numbers changed the CHCCS % from 60.73% to 60.14%, and changed the OCS % from 39.27% to 39.86%.
- The Solid Waste Capital Projects had a change in funding sources as included in the FY 2019-20 Manager's Recommended Operating Budget. The PAYGO funding has

increased by \$453,172 and the Debt Financing has decreased by \$453,172 in FY 2019-20. All else remains the same.

- Funding Decisions on the Capital Investment Plan Amendment List
- Accept FY2019-24 Capital Investment Plan and Approve the Intent to Adopt Capital Funding for FY2019-20

Travis Myren said the vans (#8) are new, and there is an offset of \$107,000 from Commissioner Bedford's delay on the bathrooms.

Commissioner Greene said this list includes the approval of the 3 sustainability studies for the geothermal wells.

Chair Rich said the previous motion asked that information be gathered prior to assigning uses for the climate change funds.

Commissioner Dorosin asked if the \$75,000 if left in the budget, can the scheduling of the studies be worked around the discussions of the climate change committee.

Travis Myren said yes, the budget could be amended once a decision is made.

Commissioner Dorosin asked if the total for vans is \$140,000 plus \$107,000.

Travis Myren said the total is \$140,000; \$107,000 of which was paid for all cash.

A motion was made by Commissioner Dorosin, seconded by Commissioner Bedford to approve all of the CIP amendments below.

#### VOTE: UNANIMOUS

Amendment #	Sponsor	CIP Budget Page	Department	Amendment	Amount
19-20CIP-001	Staff	New	Asset Management Services	Add the District Attorney Building Remediation Project to the CIP in FY 2018-19, approved by BOCC as BOA #7-E on April 16, 2019	\$ 41,143.00
19-20CIP-002	Staff	183	Asset Management Services	Add the Soltys Remediation Project at Passmore Center of \$110,564 to the CIP in FY 2018-19, approved by BOCC as BOA #8-A on May 2, 2019. Also, includes Phase 2 of \$88,550 for the Project, scheduled to be presented to the BOCC at the June 11, 2019 work session	\$ 199,114.00
19-20CIP-003	Staff	53	Orange County Public Transportation	Add the Federal and State expenditure portion of Bus/Van replacements, scheduled for FY 2019-20, to the Vehicle Replacements CIP project	\$ 288,072.00
19-20CIP-004	Staff	53	Orange County Public Transportation	Add the Federal and State revenue portion/share of Bus/Van replacements, scheduled for FY 2019-20, to the Vehicle Replacements CIP project	\$ (288,072.00)
19-20CIP-005	Staff	New	Finance and Administrative Services	Add a Community Loan Fund CIP project to fund Non-Profit Capital Loans for Interfaith Council, Club Nova, and Orange County Rape Crisis Center, in FY 2019-20	\$ 224,340.00
19-20CIP-006	Staff	39	County Manager	Add \$75,000 in FY 2019-20 to the HVAC Capital Project for Geothermal Feasibility Studies	\$ 75,000.00
19-20CIP-007	Staff	81	County Manager	Delay Shower Project (\$107,000) at Cedar Grove Community Center from FY 2019-20 to FY 2020-21	\$ (107,000.00)
19-20CIP-008	Staff	New	Asset Management Services	Add \$140,000 in capital funds to purchase 2 vans for Community Center transportation use; transferring \$107,000 savings from the delay of the Cedar Grove shower project	\$ 140,000.00
19-20CIP-009	Staff	93	Solid Waste	Change in funding sources for Solid Waste CIP Projects for FY 2019-20; increase in funding of \$453,172 and decrease of \$453,172 in Debt Financing amounts (Budget Neutral)	\$ -

19-20CIP-010	Staff	35	Asset Management Services	Add \$154,000 in FY 2019-20 to the Facility Accessibility, Safety and Security Improvements Capital Project for Elevator modernization at the Richard E. Whitted Facility. Funds will be used as a Transfer from the General Fund to cover the cost of this project.	\$ 154,000.00
19-20CIP-011	Commissioner Bedford	46	Library Services	Delay the furniture, fixtures, and equipment purchase from FY 2019-20 to FY 2020-21 for the Orange County Southern Branch Library	\$ (750,000.00)
19-20CIP-012					
<b>TOTALS</b>					<b>\$ (23,403.00)</b>

Travis Myren said because Commissioner Marcoplos' ¼ cent amendment passed, staff will need an amendment to transfer \$469,272 from the operating budget to a County capital project for 2019-20.

A motion was made by Commissioner Bedford, seconded Commissioner Greene to transfer \$469,272 from the operating budget to a County capital project for 2019-20.

**VOTE: UNANIMOUS**

### **3. Discussion and Decision on the FY2019-20 County Fee Schedule**

Commissioner Dorosin referred to the Solid Waste fee – page 495 – and asked if the programs fee is going up from \$132 to \$142 to make it a self-sustaining enterprise fee.

Bonnie Hammersley said not exactly. She said it is on the step to removing a structural deficit. She said even if she had recommended funds from the general fund, this would have been the same fee. She said she hopes expenditures can be controlled going forward so that a contribution from the general fund will not be needed.

Commissioner Dorosin asked if the value of the \$10 increase could be identified.

Bonnie Hammersley said there are 64,000 parcels, which will yield \$900,000.

Commissioner Dorosin asked if the Board does not approve this fee, would it have to increase property tax.

Bonnie Hammersley said yes.

Commissioner Price asked if the other listed fees could be clarified.

Kurt Vaughn, Budget Analyst, said these fees were already scheduled for the schools, and, as a part of making them an enterprise fund, they wanted to expand the applicability of these fees to cover County properties as well as commercial opportunities.

Bonnie Hammersley said one of the concerns was that they do a lot of work for County properties, and the solid waste fund has never been paid for this service, because the general fund was paying for part of solid waste. She said now that there is no general fund, Solid Waste can charge for service to the County buildings. She said it is not a large amount of money.

Commissioner Price referred to page 447, and asked if there is a reason why the special event/vending fee is being raised by \$10 per booth, as well as the picnic shelters and farmer's market pavilion. She said residents use these facilities for family events, and these increases will be significant for some people.

David Stancil said every couple of years staff does market studies, and the County is well below other markets for these fees. He said there are also costs that occur for maintenance, etc.

Commissioner Price asked if the increases could be done in \$5 increments.

David Stancil said it is at the pleasure of the Board's.

Commissioner Dorosin said he would like to have a conversation next year about fees versus property tax, because fees are regressive, and property taxes are progressive.

A motion was made by Commissioner Price, seconded by Commissioner McKee to (pages 447-48 in budget book) reduce the \$10 fee to \$5 increments

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Farmers market: \$15 half and \$30 all day (for residents)

Special events vending: \$20 per day (for residents)

Picnic shelter: okay as is (for residents)

David Stancil said any increase will cover more than the current fees are covering, and reiterated that these increases came about as a result of a market analysis and the County's costs.

Commissioner Price said she does not mind increasing the fees but she would just like the jump in increase to not be so large all at once.

**VOTE: Ayes, 5 (Chair Rich, Commissioner Marcoplos, Commissioner Greene, Commissioner Price and Commissioner McKee); Nays, 2 (Commissioner Dorosin and Commissioner Bedford)**

Commissioner Price referred to page 458, and asked if the storm water management plan review/conservation area document review could be explained, and if staff is not currently doing these.

Travis Myren said these have gone from a general fee to a more specific fee schedule, and staff can follow up with more information.

Commissioner Price referred to page 467 (tank install and removal), and said the County was charging \$50, but now is going to charge \$200. She asked if this is correct.

Chair Rich said this was last revised in 2011.

Commissioner Price said all the others were as well, but none have as sharp an increase as this one.

Paul Loughton said that is for cost recovery, and it has been 8 years since that has been changed.

Commissioner Price referred to page 468, and asked if the same applies for the temporary tents and canopy.

Paul Loughton said that increase is also for cost recovery and labor.

Bonnie Hammersley said staff is trying to get cost recovery.

Commissioner Price referred to page 471- failure to pay civil penalty; under animal control – and said the fee is going from \$25 to \$100, and asked if people are failing to pay because they do not have the money to do so.

Commissioner Dorosin said the increase in this penalty brings it in line with the other civil penalty (no rabies vaccine), which is also \$100.

A motion was made by Commissioner Price, seconded by Commissioner Greene to approve the fee schedule, with the amendments as suggested by Commissioner Price.

**VOTE: UNANIMOUS**

Travis Myren said with all of the amendments, the bottom line shows a surplus of \$40,523.00. He said the easiest way to dispose of this surplus is to reduce the amount of appropriated fund balance.

The Board agreed by consensus.

**4. Discussion and Decision on the FY2019-20 Tax Rates**

- i. Ad Valorem Tax  
A motion was made by seconded by to
- ii. Chapel Hill-Carrboro City School Special District Tax  
A motion was made by seconded by to
- iii. Fire District Tax Rates

**5. *Break*** (to allow Finance and Administrative Services to formulate Draft Resolution of Intent to Adopt FY2019-20 Operating Budget)

*The Board took a break at 10:32 p.m.*

*The Meeting resumed at 10:58 p.m.*

**6. Resolution of Intent to Adopt FY2019-20 Annual Operating Budget Approval of Resolution of Intent to Adopt FY2019-20 Annual Operating Budget at the Board of County Commissioners Regular Meeting on June 18, 2019**

Paul Laughton reviewed the Resolution of Intent below:

**Resolution of Intent to Adopt the FY2019-20  
Orange County Budget**

*The items outlined below summarize decisions that the Board acted upon June 11, 2019 in approving the FY2019-20 Orange County Annual Operating Budget and the FY2019-20 (Year 1) Capital Investment Plan Budget.*

*WHEREAS*, the Orange County Board of Commissioners has considered the Orange County FY2019-20 Manager's Recommended Budget and the FY2019-20 Manager's Recommended Capital Investment Plan Budget; and

*WHEREAS*, the Commissioners have agreed on certain modifications to the Manager's Recommended Budget as presented in the FY2019-20 County Manager's Recommended Budget on May 2, 2019; and to the FY2019-20 Manager's Recommended Capital Investment Plan Budget as presented on April 2, 2019;

*NOW THEREFORE BE IT RESOLVED*, that the Orange County Board of Commissioners expresses its intent to adopt the FY2019-20 Orange County Budget Ordinance on **Tuesday, June 18, 2019**, based on the following stipulations:

**1) Property Tax Rates**

- a) The ad valorem property tax rate shall be set at 86.79 cents per \$100 of assessed valuation.
- b) The Chapel Hill-Carrboro City Schools District Tax shall be set at 20.18 cents per \$100 of assessed valuation.

- c) The Fire District and Fire Service District tax rates shall be set at the following rates (all rates are based on cents per \$100 of assessed valuation):

• Cedar Grove	8.10
• Greater Chapel Hill Fire Service District	14.91
• Damascus	10.80
• Efland	6.78
• Eno	9.68
• Little River	5.92
• New Hope	9.94
• Orange Grove	6.81
• Orange Rural	9.15
• South Orange Fire Service District	9.68
• Southern Triangle Fire Service District	10.80
• White Cross	12.37

2) **County Employee Pay and Benefits Plan**

Provide a County employee pay and benefits plan that includes:

- a. A wage increase of 2% for all permanent employees hired on or before June 30, 2019, effective July 1, 2019. The maximum salary of each salary range shall also be increased to accommodate the wage adjustment, as well as maintaining \$15.00 per hour as the minimum salary rate for all permanent employees.
  - o Employee Performance Awards – three levels, \$500 for proficient performance; \$750 for superior performance; or \$1,000 for exceptional performance, effective with employee Work Planning and Performance Review (WPPR) dates from July 1, 2019 to June 30, 2020. Employees will continue to receive the performance award on their current performance evaluation date, and it will continue to be added to an employee's base salary.
- b. A Living Wage increase from \$14.25/hour to \$14.95/hour, for temporary employees, effective July 1, 2019, consistent with the Orange County Living Wage formula.
- c. Continue the \$27.50 per pay period County contribution to non-law enforcement employees' supplemental retirement accounts and the County matching employees' contributions up to \$63.00 semi-monthly (for a maximum annual County contribution of \$1,512) for all general (non-sworn law enforcement officer) employees, and continue the mandated Law Enforcement Officer contribution of 5.0% of salary; and continue the County's required contribution to the Local Governmental Employees' Retirement System (LGERS) for all permanent employees.
- d. Continue participation in the North Carolina Health Insurance Pool (NCHIP), and continue medical and prescription third party administration with Blue Cross Blue Shield of North Carolina (BCBSNC) and Prime Therapeutics, a division of BCBSNC, respectively. No increase to health and dental appropriations, and no increase to employee premium equivalent for health, dental, or vision insurance.

- e. Continue the additional eight hours of annual leave to be awarded at an employee's anniversary date, prorated for part-time employees.
- f. Continue the six-week paid parental leave policy.

3) **Modifications to County Manager's FY2019-20 Recommended Annual Operating Budget**

The following modifications to the County Manager's Recommended Budget are made:

**Adjustments to the Manager's Recommended FY2019-20 Budget**

*On June 11, 2019, the Board of County Commissioners approved the following changes to the Manager's Recommended annual operating budget for the 2019-20 fiscal year. The information below summarizes changes made by the Board:*

<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<b>Manager's Recommended Revenue Budget</b>	<b>\$236,444,623</b>	
Eliminate the revenue for the user fee of \$3 per person to participate in open gym at the Parks & Recreation gymnasium.		(\$1,500)
Increase Emergency Medical Services Collections by \$250,000	\$250,000	
Increase Ad Valorem Taxes by an additional .25 cents earmarked for climate change initiatives	\$469,272	
Reduce Fund Balance Appropriation		(\$40,523)
<b>Total Revenue Changes</b>	<b>\$719,272</b>	<b>(\$42,023)</b>
<b>Revised Revenue Budget</b>	<b>237,121,872</b>	
<b>Expenditures</b>	<b>Increase</b>	<b>Decrease</b>
<b>Manager's Recommended Expenditure Budget</b>	<b>\$236,444,623</b>	
County share to enable funding for ongoing full-time housing locator position within the Community Empowerment fund; to be administered by the Orange County Partnership to End Homelessness Program	\$13,738	
Approved cellphone allowance of \$85/month; the internet to \$75/month, and move car allowance out of base salary	\$5,628	
Add funds to the Commissioners travel line item in the County Clerk's appropriation to cover anticipated increase in travel expenses for conferences and training for FY2019-20.	\$4,000	
Increase mobile telephone stipend from \$35 to \$50 per month for county employees who use personal mobile telephones for county business.	\$22,590	
Increase in Triangle Area Rural Planning Organization (TARPO) dues for FY 2019-20 from \$7,500 to \$9,000	\$1,500	
Decrease \$4,000 in Food Council division for one-time Equity Training that was budgeted in FY 2018-19		(\$4,000)
Use funds of \$154,000 from additional EMS collection revenue for the Facility Accessibility, Safety and Security Improvements Capital Project for Elevator modernization at the Richard E. Whitted Facility	\$154,000	
Add funds of \$15,000 for a Temporary position in AMS to assist with Capital Projects management	\$15,000	
Due to a reduction in HUD funds in the HOME Program, reduce \$4,479 for the County's share of the FY 2019-20 HOME Program		(\$4,479)
Reduce Transfer to OPEB by \$250,000		(\$250,000)
Increase Current Expense funding to Schools by \$250,000 allocated by ADM	\$250,000	
Add funds from .25 cent Ad Valorem proceeds to Transfer to County Capital to set up a Project to fund efforts to combat climate change initiatives	\$469,272	
<b>Total Expenditure Changes</b>	<b>\$935,728</b>	<b>(\$258,479)</b>
<b>Revised Expenditure Budget</b>	<b>\$237,121,872</b>	

4) **Changes in County Staff Positions (Increase in FTE Approved).**

<b>Summary of Manager Recommended New Positions for FY 2019-20</b>		
<b>GENERAL FUND - RECOMMENDED</b>		
<b>Department</b>	<b>Position</b>	<b>FTE</b>
County Manager	Chief Information Security Officer (starting January 1, 2020)**	1.000
County Attorney	Staff Attorney	0.500
CJRD	Restoration Program Legal Counsel (starting October 1, 2019)***	1.000
Social Services	Facilities Environmental Tech III (time-limited to permanent)*	0.000
Social Services	CPS Social Worker(time-limited to permanent)*	0.000
Social Services	Social Worker I (starting January 1, 2020)**	1.000
Sheriff	Deputy Sheriff I	5.000
Health	Family Navigator	8.250
Health	Nutrition Services Office Assistant	0.500
Transportation	Operations Manager	1.000
Transportation	OPT Driver	1.000
Transportation	OPT Driver	1.000
<b>Totals</b>		<b>20.250</b>
*	Time Limited positions requesting becoming permanent, already in base budget for FY19-20	
**	Recommending position start January 1, 2020.	
***	Recommending position start October 1, 2019	
<b>Solid Waste Enterprise Fund - RECOMMENDED</b>		
<b>Department</b>	<b>Position</b>	<b>FTE</b>
Solid Waste	Senior Convenience Center Operator -HZW	2.000
<b>Totals</b>		<b>2.000</b>

5) **General Fund Appropriations for Local School Districts**

The following FY2019-20 General Fund Appropriations for Chapel Hill-Carrboro City Schools and Orange County Schools are approved:

- a) Current Expense appropriation for local school districts totals \$88,820,720 and equates to a per pupil allocation of \$4,352.25

- 1) The Current Expense appropriation to the Chapel Hill-Carrboro City Schools is \$53,419,518
  - 2) The Current Expense appropriation to the Orange County Schools is \$35,401,202.
- b) School Related Debt Service for local school districts totals \$17,770,542.
- c) Additional net County funding for local school districts totals \$6,889,597.
- (1) School Resource Officers and School Health Nurses Contracts - total appropriation of \$3,629,597 to cover the costs of School Resource Officers in every middle and high school, and a School Health Nurse in every elementary, middle, and high schools in both school systems.
  - (2) Deferred maintenance funding of \$3,000,000 by ADM is allocated to the school systems by the following: Chapel Hill-Carrboro City Schools appropriation is \$1,804,200 and Orange County Schools appropriation is \$1,195,800.
  - (3) School Equity Training – total appropriation of \$260,000 towards Foundational Equity Training.

6) **Capital Investment Plan Funding for FY2019-20 (Year 1)**

The following FY2019-20 (Year 1) Capital Investment Plan Appropriations are approved:

- a) Overall Total Capital Investment Plan Funding of \$48,050,906
- b) County Capital Projects Funding of \$10,560,764
- c) School Capital Projects Funding of \$34,512,606
- d) Water & Sewer Project Funding of \$1,060,000; Solid Waste Project Funding of \$1,545,536; and Sportsplex Project Funding of \$372,000

7) **County Fee Schedule**

To adopt the County Fee Schedule to include changes included in the FY2019-20 Manager's Recommended Annual Operating Budget and further amended by the Board of County Commissioners on June 11, 2019.

A motion was made by Commissioner Marcoplos, seconded by Commissioner Bedford to Adopt the FY2019-20 Annual Operating Budget Approval of Resolution of Intent to Adopt FY2019-20 Annual Operating Budget at the Board of County Commissioners Regular Meeting on June 18, 2019.

**VOTE: Ayes, 6; Nays, 1 (Commissioner McKee)**

Commissioner McKee said he voted no due to his opposition to the ad valorem property tax and the BOCC salary increases, and requested that the votes be separated out on the resolution at the June 18<sup>th</sup> meeting, or he will have to vote against the entire budget, which he has never done before.

The meeting adjourned at 11:10 p.m.

Penny Rich, Chair

Donna Baker  
Clerk to the Board